

AUTHORIZING APPROPRIATIONS FOR CONSTRUCTION OF FACILITIES ON GUAM, AND FOR OTHER PURPOSES

AUGUST 31, 1976.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. ICHORD, from the Committee on Armed Services,
submitted the following

REPORT

(Including cost estimate of the Congressional Budget Office)

[To accompany H.R. 15136]

The Committee on Armed Services, to whom was referred the bill (H.R. 15136) to authorize appropriations for construction of facilities on Guam, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Page 1, line 11: Strike out the figure "\$77,869,000" and substitute the figure "\$71,400,000."

Page 2, line 1: Strike out the figure "\$26,622,000" and substitute the figure "\$24,400,000."

Page 2, line 4: Strike out the figure "\$104,491,000" and substitute the figure "\$95,800,000."

EXPLANATION OF AMENDMENTS

All amendments are the result of the Committee's approval of a recommendation by the Subcommittee on Military Installations and Facilities that the full scope of the proposed reconstruction be authorized as long as it can be completed with the reduced amounts recommended by the Subcommittee.

PURPOSE OF THE BILL

The purpose of H.R. 15136 is to provide supplemental emergency military construction authorization in the amount of \$136,173,000 for the fiscal year 1976 transition quarter (July 1, 1976 to Sept. 30, 1976) to permit restoration and reconstruction for military facilities and military family housing on Guam which were extensively damaged by Typhoon Pamela on May 21, 1976. The winds of that storm exceeded 170 miles per hour, and the rainfall during its passage was 33 inches with 22.6 inches falling in a 24-hour period. The slow speed of advance of the storm subjected the island to the destructive force winds for fully 30 hours.

The Department of Defense requested a total of \$144,864,000 in new authorization for the restoration and replacement program. This request included authorization to repair facilities where repair is practicable and to replace facilities where damage is beyond repair. As approved by the Committee, the bill represents a reduction of \$8,691,000 from the Department's original request.

A brief summary of the authorizations provided in H.R. 15136 follows:

TOTAL AUTHORIZATION GRANTED

Brief of authorizations

Title I:		
Navy	-----	\$71, 400, 000
Air Force	-----	24, 400, 000
Title I subtotal	-----	95, 800, 000
Title II:		
Family housing	-----	40, 373, 000
Total of title I and II	-----	\$136, 173, 000

COMMITTEE HEARINGS

Hearings on this bill were conducted by the Military Installations and Facilities Subcommittee of the Committee on Armed Services. The Subcommittee met on Wednesday, August 25, and Thursday, August 26, to receive testimony from Navy, Air Force, and Department of Defense witnesses and to markup the bill for consideration by the full Committee. On Tuesday, August 31, 1976, the Committee unanimously agreed to report H.R. 15136 with amendments to the House.

TITLE I—NAVY AND AIR FORCE

The request for Navy and Air Force, under title I of the bill, follows:

[Dollars in thousands]

	Requested	Committee approved
Navy:		
Construction	\$72, 120	\$66, 130
Planning and design	5, 749	5, 270
Subtotal	77, 869	71, 400
Air Force:		
Construction	24, 650	22, 600
Planning and design	1, 972	1, 800
Subtotal	26, 622	24, 400
Total	104, 491	95, 800

Careful consideration was given to the proposed restoration of facilities requested by the Navy and the Air Force. The following tables summarize the authorization requested by major commands and facility class and approved by the Committee.

MAJOR COMMAND SUMMARY

[Dollar amounts in thousands]

Command/installation	Request	Committee approved
Navy:		
CINCPACFLT:		
Naval air station.....	\$8,400	\$7,700
Naval magazine.....	1,000	920
Naval station.....	32,340	29,660
Ship repair facility.....	4,250	3,900
Supply depot.....	6,570	6,020
Subtotal.....	52,560	48,200
Chief of Naval Material:		
Navy publication and printing office.....	960	800
Navy public works center.....	11,820	10,840
Subtotal.....	12,780	11,720
Naval Telecommunications Command: Naval communications area master station, WESTPAC.....	5,840	5,350
Bureau of Medicine and Surgery: Naval regional medical center.....	940	860
Subtotal.....	72,120	66,130
Planning and design.....	5,749	5,270
Subtotal.....	77,869	71,400
Air Force:		
Strategic Air Command:		
Andersen AFB, Guam.....	24,650	22,600
Planning and design.....	1,972	1,800
Subtotal.....	26,622	24,400
Total.....	104,491	95,800

FACILITY CLASSES SUMMARY

[Dollar amounts in thousands]

Description	Request	Committee approved
Navy:		
Operational.....	\$20,090	18,420
Maintenance and production.....	10,570	9,690
Supply.....	4,320	3,960
Administrative.....	5,000	4,590
Bachelor housing/community support.....	26,140	23,970
Utilities and ground improvements.....	6,000	5,500
Subtotal.....	72,120	66,130
Planning and design.....	5,749	5,270
Subtotal.....	77,869	71,400
Air Force:		
Operational.....	3,842	3,520
Maintenance and production.....	1,973	1,810
Research and development.....	300	280
Medical.....	120	110
Administrative.....	4,548	4,170
Bachelor housing/community support.....	10,396	9,530
Utilities and ground improvements.....	3,471	3,180
Subtotal.....	24,650	22,600
Planning and design.....	1,972	1,800
Subtotal.....	26,622	24,400
Total, Navy and Air Force.....	104,491	95,800

Testimony received from the Navy and Air Force witnesses substantiated the need for the base complex on Guam in its present size and configuration to support Navy and Air Force tactical and logistical operations in the Western Pacific. A re-examination of missions and base loadings was made to assure that there were no other viable alternatives to restoring most of the damaged facilities. Facility scope was also examined to validate it against future requirements.

For the Air Force, all facilities damaged by Typhoon Pamela will be restored to a scope equal to or less than that of the facility prior to the storm. One of the four aircraft nosedocks will not be repaired. Of the 21 Air Force facilities that were completely destroyed by the storm, seven require replacement.

For the Navy, 12 buildings will be restored at a scope less than damaged, 9 will be restored at a scope equal to that damaged, and 9 will be constructed at a scope greater than damaged.

The increases in scopes were made to satisfy validated space requirements where the existing facility was deficient and future construction was planned to correct the deficit. Restoration of the facilities at their present scope, with additions in the future to meet the total scope required, would not be economical.

In view of the announcement that the Ship Repair Facility was being studied for possible reduction to a caretaker status, the Committee carefully examined the four facilities items for this installation in the amount of \$4 million. Several important factors considered by the Committee, in reaching a decision on these items, were:

(a) The Navy stated that this construction should be provided, for contingency use, in view of the strategic location of Guam in Western Pacific, even if the Ship Repair Facility were reduced to a caretaker status.

(b) In their respective actions on the FY 1977 Military Appropriations Bill, the House measure allocated \$22 million for the Ship Repair Facility and the Senate measure would establish an employee floor of at least 500 permanent employees through September of next year. The methods vary, but the expression of the will of both bodies is clear in that reductions in operations of the Ship Repair Facility should not be made in fiscal year 1977.

(c) Further, the Committee has assurances from the Navy that the Ship Repair Facility will not be phased down pending the outcome of the Philippine base negotiations.

Based on the above, the Committee approved the \$4,250,000 requested for the Ship Repair Facility.

The Committee believes that some reduction should be made in the authorization requested because the significant size of the restoration program should enhance competition and permit bulk buying of material at lower costs than that of single isolated projects included in a regular year's program. In view of these potential savings, the Committee believes that the area cost factor may be reduced from the normal 1.80 to 1.65 which would reduce the Navy authorized amount to \$71,400,000, and the Air Force amount to \$24,400,000. The cost factor relates the cost of construction for a particular area to that in Washington, D.C. For example, if an area has a cost factor of 1.80, that implies that it will cost 80 percent more for construction in that area as compared to Washington, D.C.

The Committee does not question the need for any of the facilities requested for restoration or replacement, but if the Services are not able to construct all of the facilities within the amounts authorized, the Committee believes that those facilities normally constructed from nonappropriated funds should be deferred. Other facilities that are not mission essential should be the next order of priority for deferral if the Services are not able to construct all facilities within the authorized amounts.

The Committee is concerned that funds authorized by this emergency bill, H.R. 15136, be prudently and wisely used. It is equally concerned that facilities that are repaired or replaced are designed and built in such a manner that they will not need to be rebuilt again after the next typhoon. It is also concerned that money not be spent on excessively deteriorated or completely inadequate facilities that may have to be replaced in the near future anyway. Accordingly, the Committee will expect a quarterly report through calendar year 1977 on the facilities that are being repaired and/or replaced.

TITLE II—MILITARY FAMILY HOUSING

The total request for the restoration for military family housing and related facilities was \$40,373,000. Of this amount, \$32,371,000 was requested for construction and \$8,002,000 for operations and maintenance.

The Navy testified that the majority of its request for \$17,992,000 is required for replacement of windows and door frames blown away during the typhoon. Included in the Navy request is \$250,000 to replace a community center which was completely destroyed. This center will provide much needed recreational and meeting facilities to families living at this remote area. The third portion of the Navy's request is for basic operational and maintenance repair work which was required to bring the family housing areas back to livable standards. Approval of the Navy request is recommended.

The Air Force testified that each unit of its 1,454 unit inventory of family housing on Guam suffered significant damage during Typhoon Pamela. Additionally, the Air Force testified that ninety percent of the overhead electrical distribution system in the family housing area was destroyed by wind and flying debris. The Committee recognized the need for the restoration work, and for the replacement of government-owned military family housing furnishings that were lost in the typhoon. Accordingly, approval of the Air Force request of \$22,381,000 is recommended.

In the case of family housing, this construction requires less design effort so that the repairs will occur sooner and may be coincident with similar construction in the civilian sector. Savings that should be realized in regular construction under Title I may not be realized for family housing. Therefore, the Committee approved the amounts requested for family housing by the Navy and Air Force.

FISCAL DATA

The original submission for the supplemental military construction authorization for Guam was in the amount of \$144,864,000. Committee action resulted in a reduction of \$8,691,000, so that the enactment of this measure will authorize the expenditure of \$136,173,000.

FIVE-YEAR COST PROJECTION

The Committee, in complying with the requirement of Section 252 (b) of the Legislative Reorganization Act of 1970 (Public Law 91-510), requested a letter from the Department of Defense containing a five year projection of the costs that would be engendered by this legislation. The reply, which is self-explanatory, is set out below:

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., August 27, 1976.

Hon. MELVIN PRICE,
Chairman, Committee on Armed Services,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Reference is made to the requirement of section 252(b) of the Legislative Reorganization Act of 1970 (Public Law 95-510). Our estimate of the cost to be incurred in carrying out the proposed supplemental Military Construction Authorization Bill for Guam (\$136,573,000) in the transition quarter (19TQ), and in each succeeding fiscal year is as follows:

Fiscal year:	
19TQ	\$3,969,000
1977	15,300,000
1978	51,100,000
1979	36,700,000
1980	17,400,000
1981	3,900,000
1982 and later	7,804,000
Total	136,173,000

If we can be of any further assistance in this regard, please advise.

Sincerely yours,

PERRY J. FLIAKAS,
Deputy Assistant Secretary of Defense
(Installations and Housing).

DEPARTMENTAL DATA

This measure is a supplemental authorization requested by the Department of Defense due to the extraordinary damage incurred by U.S. military bases on Guam from Typhoon Pamela. The submission by the Department of Defense in the amount of \$544,864,000 was dated August 12, 1976, as shown by the letter from the Deputy Secretary of Defense, William P. Clements, Jr.

THE SECRETARY OF DEFENSE,
Washington, D.C., August 12, 1976.

Hon. CARL ALBERT,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: There is forwarded herewith a draft of legislation "To authorize appropriations for construction of facilities on Guam and for other purposes."

This proposal is for supplemental military construction authorization for Guam. This proposal is a direct result of the extraordinary damage incurred to Navy and Air Force facilities on Guam by Typhoon

Pamela which struck the island on May 21, 1976. The Office of Management and Budget has advised that the enactment would be in accordance with the program of the President.

Title I of this proposal would authorize \$104,491,000 for the design and construction of military construction projects resulting from the typhoon damage. Title II would authorize an additional \$40,373,000 for work associated with the family housing facilities which were damaged by the typhoon.

In light of the extraordinary damage caused by Typhoon Pamela and the need to restore damaged or destroyed defense facilities at this isolated but strategically located base as soon as practicable, your support of this supplemental military construction requirement is requested.

Sincerely,

W. P. CLEMENTS, Jr.

(Identical letter to the President of the Senate.)

INFLATION IMPACT STATEMENT

The enactment of this legislation should not, in and of itself, have any inflationary effect upon the economy of the United States. This legislation is to authorize appropriations for the purpose stated in the bill, while appropriations will be the subject of separate legislation. The outlay and obligational authority provided in appropriation acts are the only sources of new spending which can actually add dollars to the national economy. Since these sums are yet to be determined, no assessment of their economic effects can be made at this time.

COMPLIANCE WITH CLAUSE 2(1) OF RULE XI OF THE RULES

(1) With reference to clause 2(1)(3)(C) of rule XI of the Rules of the House of Representatives, the Committee on Armed Services has received an estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of the Congressional Budget Act.

CONGRESS OF THE UNITED STATES,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., August 31, 1976.

HON. MELVIN PRICE,
Chairman, Committee on Armed Services, U.S. House of Representatives,
Rayburn House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for H.R. 15136, a bill to authorize appropriations for construction of facilities on Guam.

Should the Committee so desire, we would be pleased to provide further details on the attached cost estimate.

Sincerely,

ALICE M. RIVLIN, *Director.*

Attachment.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE, AUGUST 31, 1976

1. Bill number: H.R. 15136.
2. Bill title: Supplemental Authorization Act for Military Construction on Guam.
3. Purpose of bill: To authorize certain construction of facilities on Guam totaling \$136,173,000.
4. Budget impact: See table I.
5. Basis for estimate: The estimates assume that funds will be appropriated for the full amount of the authorization, and available for obligation not later than September 30, 1976.
6. Estimate comparison: The Defense estimate was not available at the time this estimate was prepared.
7. Previous CBO estimate: None.
8. Estimate prepared by Robert Schafer (225-4844).
9. Estimate approved by James L. Blum, Assistant Director for Budget Analysis.

TABLE I.—BUDGET IMPACT

(In millions of dollars)

	Authorization amounts (budget authority)	Estimated costs for fiscal year—					
		TQ	1977	1978	1979	1980	1981
Title I:							
Military construction, Navy.....	71.400	0.714	8.568	31.416	15.708	9.996	2.056
Military construction, Air Force.....	24.400	.244	2.928	8.784	8.052	3.416	.488
Title II:							
Family housing, construction.....	32.371	.323	1.295	8.093	12.948	7.122	1.294
Family housing, operation and maintenance..	8.002	3.201	3.601	1.120	.080		
Total.....	136.173	4.482	16.392	49.413	36.788	20.534	3.838

(2) With reference to clause 2(1)(3)(D) of rule XI of the Rules of the House of Representatives, the committee has not received a report from the Committee on Government Operations pertaining to this subject matter.